

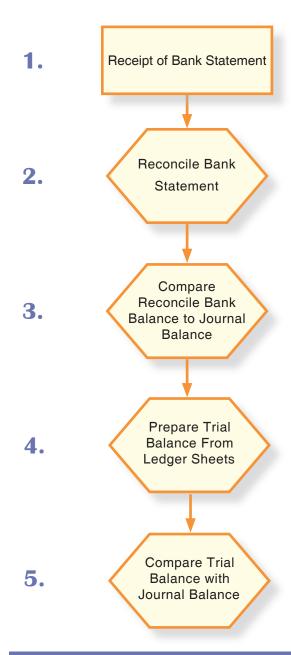
## By Emmet R. Wood Director, Audits and Investigations

(This is the third in a series of three articles about the process of maintaining trust account records. The subjects are "Deposit Cycle", "Disbursement Cycle" and "Monthly Reconciliation".)

- Upon receiving the bank statement, trace checks and deposits on the bank statement to the journal. Check off on the journal the deposits and checks that cleared on the bank statement. (See middle column on journal)
- 2. List the checks and deposits that are not checked off on the journal (outstanding checks and deposits-in-transit) on the bank reconciliation. Hint: Review last month's bank reconciliation for outstanding checks and depositsin-transit that did not clear on the bank statement.
- 3 The reconciled bank balance on the bank reconciliation should equal the journal balance. These should agree before going to step 4.
- ▲ List the ledger sheets by owner or property and the balances on the ledger sheets on a trial balance.
- 5. The total of the balances listed on the ledger sheet trial balance should equal the journal and the reconciled bank balance. These must equal before you have properly completed a trust account reconciliation in compliance with the Commission's rules.

# Rental Trust Account **Monthly Reconciliation**

Third of a three-part series



#### **Compliant Software Vendors**

complies with the Rules and Trust Account Guidelines. Vendors currently with compliant software are:

#### Sales Accounting Software

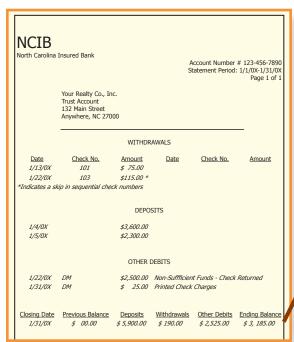
# Long Term Rental Management Accounting Software MRI Management Reports International RETTS R.E.A.L. Systems, LLC

#### **Resort Rental Management Software**

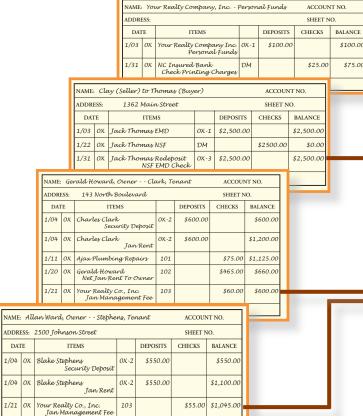
- First Resort Instant Software, Inc.
- Strategic Planning & Management, LLC

For more information, consult the Commission's website,

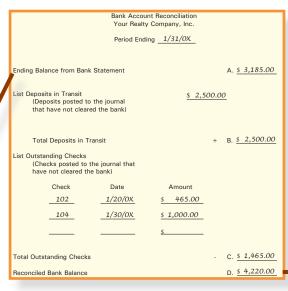
### 1. Bank Statement



# 4. Individual Property Trust **Account Ledger Sheets**



# 2. Bank Statement Reconciliation



## 3. Trust Account Journal

			_			
DATE	DESCRIPTION	NUM	_	DEPOSITS	CHECKS	BALANCE
1/03/0X	DEPOSIT	OX -1 (A)	<b>√</b>	\$3,600.00		\$3,600.0
1/04/0X	DEPOSIT	OX -2	√	\$2,300.00		\$5,900.0
1/11/0X	Ajax-Plumbing - 143 N. Blvd - Repairs	101	<b>√</b>		\$75.00	\$5,825.0
1/20/0X	Gerald Howard - 143 N. Blvd Net Jan Rent to Owner	102			\$465.00	\$5,360.0
1/21/0X	Your Realty Company, Inc. 1/0X Mgt Fees	103	<b>√</b>		\$115.00	\$5,245.0
1/22/0X	Jack Thomas - NSF - 1362 Main St	DM (B)	<b>√</b>		\$2,500.00	\$2,745.0
1/30/0X	F. Lee Bailey, Attorney 119 Maple Closing	104			\$1,000.00	\$1,745.0
1/31/0X	DEPOSIT	OX-3		\$2,500.00		\$4,245.0
1/31/0X	NC Insured Bank Check Printing Charges	DМ	<b>√</b>		\$25.00	\$4,220.0

YOUR REALTY COMPANY, INC TRUST ACCOUNT JOURNAL

- (A) Referenced to sequentially numbered deposit tickets (B) Debit Memo √ Cleared Bank

#### 5. Trial Balance

NC INSURED BANK A/C# 123-456-789 DATE: 1/31/0X OWNER PROPERTY Your Realty Company, Inc \$75.00 Clay 1362 Main Street \$2,500.00 Ward 2500 Johnson Street \$1,045.00 TOTAL \$4.220.00

YOUR REALTY COMPANY, INC.

TRIAL BALANCE